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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Implementation of the Pay
Telephone Reclassification
and Compensation Provisions
of the Telecommunications
Act of 1996

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CC Docket No. 96-128

REPLY COMMENTS OF GENERAL COMMUNICATION, INC.

General Communication, Inc. (GCI) submits its reply comments in response to the Commission's Public Notice seeking comment on the issues remanded to the Commission in the above captioned proceeding.¹ Many of the commenters support GCI's positions regarding the interim compensation to the payphone providers and who should contribute to that compensation.

I. All Beneficiaries Should Contribute

Many of the commenters² agree that all interexchange carriers (IXCs) and all local exchange carriers (LECs) should compensate payphone providers. To only force IXCs with over \$100 million in revenue to contribute would be discriminatory and would force the larger IXCs to pay the costs that should be borne by IXCs with revenues under \$100 million and local exchange carriers. No carrier should be obligated to pay for

¹Pleading Cycle Established For Comment On Remand Issues In the Payphone Proceeding, CC Docket 96-128, DA 97-1673, released August 5, 1997.

²Comments of AT&T, Cable & Wireless, Communications Central, CompTel, Excel, Frontier, International Telecard Association, LCI, Sprint, and Worldcom.

its competitors costs. All IXC's and LECs³ should compensate the payphone providers.

Alternatively, as suggested by several parties,⁴ the Commission should have the calling party compensate the payphone provider at the time the call is being made. This would ensure that the consumer who is receiving the benefit of using the payphone and incurring the costs of using the payphone would compensate the provider for the call. It would enable the consumer to make an informed decision as to whether the additional cost makes the call worth making. This policy would ensure that the payphone provider would receive compensation for each and every dial around call, but the provider would not receive payments for calls not made on their payphones. Each payphone provider would receive the exact amount of compensation required under the Act. Further, it would be the least administratively burdensome policy. Under a caller pays system, the administration and verification process would cease to be a problem.

II. The Compensation Rate Is Excessively High

As demonstrated in the record, the 35 cent compensation rate is excessive. GCI supports the position of many of the parties that state the compensation rate should be

³ILECs should not be allowed to put these costs back on the IXC's through access charges.

⁴Comments of Airtouch Paging, Paging Network, and PCIA.

substantially lower.⁵ Payphone providers should be compensated solely for the costs of these calls, nothing more and nothing less.

Several of the payphone providers state that they will have to be compensated for additional costs including the costs of collecting the compensation⁶ and sending ANI.⁷ IXC's and LEC's should not compensate payphone providers for their costs to send bills to the contributors. These statements argue for a caller pays system.

III. Contributions Should Be Based Solely on Dial Around Calls

Contributions by each carrier should be based the number of dial around calls, i.e., 950, 800 and 10XXX, from a payphone since these types of calls the payphone provider is not currently receiving compensation. This method would more accurately reflect the amount each carrier should contribute.⁸ Total toll revenues of a carrier does not necessarily correlate to the number of dial around calls at payphones.

⁵The alternative rates submitted to the Commission range from 6.7 cents to 25 cents with most parties agreeing that it should be below 11 cents.

⁶Comments of American Public Communications Council.

⁷Comments of RBOC/GTE/SNET Coalition.

⁸Obviously not all 800, 950 and 10XXX calls are made from payphones. However, this number would more accurately reflect the number of calls actually being made from payphones than toll revenues of a telecommunications carrier.

Conclusion

The Commission should have all telecommunications carriers contribute and base the contributions on dial around calls.

Respectfully submitted,

GENERAL COMMUNICATION, INC.

A handwritten signature in black ink, appearing to read "Kathy L. Shobert", written over a horizontal line.

Kathy L. Shobert
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September 9, 1997

STATEMENT OF VERIFICATION


I have read the foregoing, and to the best of my knowledge, information and belief there is good ground to support it, and that it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed this 9th day of September, 1997.

A handwritten signature in cursive script, appearing to read "Kathy L. Shobert", written over a horizontal line.

Kathy L. Shobert
Director, Federal Affairs
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CERTIFICATE OF SERVICE

I, Kathy L. Shobert, do hereby certify that on this 9th day of September, 1997 a copy of the foregoing was sent by first class mail, postage prepaid, to the parties listed below.


Kathy L. Shobert

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